Maryland State Income Tax Information

State Abbreviation:	MD
State Tax Withholding State Code:	24
Acceptable Exemption Form:	MW 507
Basis For Withholding:	State Exemptions
Acceptable Exemption Data:	S, M/Number of Exemptions
TSP Deferred:	Yes
Special Coding:	Determine the Total Number Of Allowances field as follows:
	First Position – S = Single; M = Married.
	Second and **Third Positions** – Enter the number of exemptions claimed.
Additional Information:	The Maryland state income tax formula contains a computation for Maryland county tax. Residents of the state of Maryland are required to pay the appropriate county tax in addition to the state income tax. Nonresidents of Maryland pay only the state income tax. Refer to the withholding formula for information on the individual county rates.

Withholding Formula ▶(Effective Pay Period 5, 2009)◀

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.

2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment(s) (includes dental and vision insurance program, and flexible spending account – health care and dependent care deductions) from the amount computed in Step 1.

3. Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the amount computed in step 2 to obtain the adjusted gross biweekly wages.

4. Multiply the adjusted gross biweekly wages times 26 to obtain the gross annual wages.[1]

    [1] *If gross annual wages are less than $5,000, taxes will not be withheld.*

5. Determine the standard deduction by applying the following guideline and subtract this amount from the gross annual wages computed in step 4.

    Standard Deduction[2] = 15 percent x Annual Wages

    [2] *Minimum of $1,500/Maximum of $2,000*

6. Determine the dependent allowance by applying the following guideline and subtract this amount from the result of step 5 to determine the taxable income.

    Exemption Allowance = $3,200 x Number of Exemptions

7. Apply the taxable income computed in step 6 to the following table to determine the annual Maryland tax withholding.

Maryland Nonresidents Not Subject to Maryland County Tax
Married

If the Amount of Taxable Income Is:		The Amount of Maryland Tax Withholding Should Be:					Of Excess Over:
Over:	But Not Over:						
$ 0	$ 200,000	$	0	plus	6.00%	$	0
200,000	350,000		12,000	plus	6.25%		200,000
350,000	500,000		21,375	plus	6.50%		350,000
500,000	▶ 1,000,000		31,125	plus	6.75%		500,000
1,000,000	and over		64,875	plus	7.50%		1,000,000◀

Single

If the Amount of Taxable Income Is:		The Amount of Maryland Tax Withholding Should Be:					Of Excess Over:
Over:	But Not Over:						
$ 0	$ 150,000	$	0	plus	6.00%	$	0
150,000	300,000		9,000	plus	6.25%		150,000
300,000	500,000		18,375	plus	6.50%		300,000
500,000	▶ 1,000,000		31,375	plus	6.75%		500,000
1,000,000	and over		65,125	plus	7.50%		1,000,000◀

All Other Employees
Married

If the Amount of Taxable Income Is:		The Amount of Maryland Tax Withholding Should Be:					Of Excess Over:
Over:	But Not Over:						
$ 0	$ 200,000	$	0	plus	4.75%	$	0
200,000	350,000		9,500	plus	5.00%		200,000
350,000	500,000		17,000	plus	5.25%		350,000
500,000	▶ 1,000,000		24,875	plus	5.50%		500,000
1,000,000	and over		52,375	plus	6.25%		1,000,000◀

Single

If the Amount of Taxable Income Is:		The Amount of Maryland Tax Withholding Should Be:					Of Excess Over:
Over:	But Not Over:						
$ 0	$ 150,000	$	0	plus	4.75%	$	0
150,000	300,000		7,125	plus	5.00%		150,000
300,000	500,000		14,625	plus	5.25%		300,000
500,000	▶ 1,000,000		25,125	plus	5.50%		500,000
1,000,000	and over		52,625	plus	6.25%		1,000,000◀

8. Divide the result of step 7 by 26 to obtain the biweekly Maryland state tax. **Residents** of Maryland are to proceed to step 9 to compute Maryland county tax.

9. **If the employee is a resident** of the state of Maryland, compute the annual county tax withholding as follows:

   a. Repeat steps 1 through 5.

   b. Determine the dependent allowance by applying the following guideline and subtract this amount from the result of step 9a to determine the taxable county income.
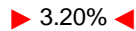
   Exemption Allowance = $3,200 x Number of Exemptions

   c. Apply the taxable income computed in 9b to the following guideline to determine the appropriate county income tax:

Compute the Annual Income Tax Withholding For:	By Multiplying the Annual Taxable Wages By:
Allegany	3.05%
Anne Arundel	2.56%
Baltimore City	3.05%
Baltimore	2.83%
Calvert	2.80%
Caroline	2.63%
Carroll	3.05%
Cecil	2.80%
Charles	2.90%
Dorchester	2.62%
Frederick	2.96%
Garrett	2.65%
Harford	3.06%
Howard	3.20%
Kent	2.85%
Montgomery	3.20%
Prince George's	▶ 3.20% ◀
Queen Anne's	2.85%
St. Mary's	3.00%
Somerset	3.15%
Talbot	2.25%
Washington	2.80%
Wicomico	3.10%
Worcester	1.25%

   d. Divide the result of step 9c by 26 to obtain the biweekly Maryland county tax.

   e. Add the results of steps 8 and 9d to determine the resident's biweekly Maryland state and county tax combined withholding.